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FISCAL IMPACT STATEMENT

LS 7120

BILL NUMBER: HB 1681

NOTE PREPARED: Feb 3, 2009

BILL AMENDED:

SUBJECT: Foster Care.

FIRST AUTHOR: Rep. Summers

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows a foster parent, caseworker, or probation officer to sign an application for a learner's permit or driver's license for a minor who is receiving foster care. The bill requires, if a caseworker or probation officer signs the application, the minor to sign a statement that the minor will be financially responsible for any injury or damage that the minor applicant causes by reason of the operation of a motor vehicle. The bill also provides certain civil immunity to a caseworker or probation officer who signs an application.

The bill establishes: (1) a tuition and fee exemption for certain foster care youth attending state educational institutions; and (2) the foster care educational assistance program. It also requires the Department of Child Services to administer the program.

This bill also provides that certain individuals previously receiving foster care are eligible to receive benefits under the Indiana Check-up Plan if the individual meets certain eligibility requirements. It requires the Office of Medicaid Policy and Planning to apply to the United States Department of Health and Human Services for approval to amend the Indiana Check-up Plan to include services for the certain individuals previously receiving foster care.

Effective Date: Upon passage; July 1, 2009.

Explanation of State Expenditures: *Indiana Check-Up Plan Eligibility:* The Office of Medicaid Policy and Planning (OMPP) is required to submit to the U.S. Department of Health and Human Services (DHHS) a request to amend the eligibility requirements of the Indiana Check-Up Plan to include individuals that

received foster care before their 18th birthday and before they reach 24 years of age. This will increase the workload of OMPP staff.

(Revised) *Education Costs for Foster Care Youth:* This bill entitles eligible foster children to instruction in state educational institutions without the payment of any education costs. Under the bill, educational costs must include tuition, room and board (including a meal plan), fees, and course-required books. The total expenditures state educational institutions experience will depend on the number of individuals who received foster care before the age of 18, are less than 24 years of age, and enroll in a state educational institution after the effective date of the legislation.

DCS reports that of the 338 individuals that applied for funding under the Chafee Educational Training Voucher Program for academic year 2006-2007, 290 were eligible and 186 received benefits. The estimated average cost of attendance for state public educational institutions during academic year 2009-2010 is \$17,833. Assuming a similar level of 290 eligible applicants could receive free educational costs, the estimated cost to state educational institutions would be between \$5.2 M and \$5.4 M per year. Any increase in expenditures to state educational institutions may be offset by either increasing tuition, designated scholarships funds, or additional appropriations.

DCS is required to make eligibility determinations for foster youth that apply for tuition exemption. This bill increases the workload of DCS personnel in order to make determinations as well as provide determinations for appeals made by individuals whose applications were denied. Increases in workload depend on the number of individuals that apply for tuition exemption as well as any administrative appeals process DCS implements for denials. DCS reports that additional resources will be necessary to implement these provisions. The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions. [Note: DCS reverted approximately \$7.1 M to the state General Fund at the end of FY 2008.]

(Revised) *Foster Care Educational Assistance Program:* The bill requires DCS to administer a program that provides reimbursement for education expenses for individuals that received foster care before the age of 18, are less than 24 years of age, and enroll in state educational institutions after June 30, 2009. Under the bill most of these expenses would be covered by the state educational institutions. There may be some minor expenses that could be requested for reimbursement under this program for technical equipment or fees not covered. This bill does not provide a funding source for this program.

Indiana Check-Up Plan Eligibility: Currently, individuals that receive foster care are eligible for Medicaid benefits until the age of 21. Medicaid benefits are not considered health insurance under the Indiana Check-Up Plan eligibility requirements. Currently, individuals are considered eligible for the Indiana Check-Up Plan if they (1) are between the ages of 18 and 65, (2) are United States citizens and a state resident for 12 months, (3) have an annual household income of no more than 200% of the federal poverty level, (4) are not eligible for health insurance through their employer, and (5) have not had health insurance for at least six months. The legislation expands these requirements by allowing individuals that received foster care before the age of 18 and are between the ages of 18 and 23 to participate in the program provided they also meet provisions 1 through 4 listed above. Since these individuals are eligible to receive Medicaid until the age of 21 and Medicaid is not considered to be health insurance in the Indiana Check-Up Plan, these individuals would

already qualify to participate in the Indiana Check-Up Plan. This provision is not expected to have a fiscal impact.

Background Information: The federal Chafee Educational Training Voucher Program provides funds to foster youth and former foster youth to enable them to attend colleges, universities, or vocational training institutions. Applicants must be between the ages of 18 and 20 at the time of application to the program and be accepted in a degree, certificate, or other accredited program at a college, university, technical, or vocational school.

DCS reports that the Chafee Educational Training Voucher program is available to individuals who received foster care before the age of 18 and provides benefits to the age of 23 for individuals in college, vocational school, or trade school. The total amount of federal revenue received from the federal Chafee Education Training Voucher Program during academic year 2006-2007 was approximately \$698,000, or \$3,800 per student. Currently, DCS contracts out the management of the program because there is not enough staff within the Department to cover the program.

Under this bill, it is assumed that DCS would no longer apply for these funds since the expenses would be covered by the institutions of higher education.

Explanation of State Revenues: *Penalty Provision:* Under the bill, someone that knowingly or intentionally submits false or misleading information to receive a tuition exemption for foster youth commits a Class A misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class A misdemeanor is \$5,000. However, any additional revenue would likely be small.

Explanation of Local Expenditures: *Penalty Provision:* A Class A misdemeanor is punishable by up to one year in jail.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: OMPP; DCS; State Educational Institutions.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Ann Houseworth, DCS; Commission on Higher Education.

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